

AMENDED IN SENATE AUGUST 14, 2000

AMENDED IN SENATE AUGUST 7, 2000

AMENDED IN ASSEMBLY MAY 17, 2000

AMENDED IN ASSEMBLY MAY 4, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2544

Introduced by Assembly Member Calderon

February 24, 2000

~~An act to amend Sections 304, 313, 401, 402, 403, 406, 407, 502, 506, 507, 508, 605, 607, 609, 614, and 706 of, to add Sections 314.5, 503.1, 607.1, and 705.1 to, and to repeal Sections 602, 603, 604, 608, 703, 705, 707, 708, and 709 of, the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), relating to water. An act to amend Sections 304, 313, 502, 506, 507, 508, 705, and 706 of, and to add Sections 314.5 and 503.1 to, the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2544, as amended, Calderon. San Gabriel Basin Water Quality Authority Act.

(1) The San Gabriel Basin Water Quality Authority Act authorizes the San Gabriel Water Basin Quality Authority to plan, finance, and implement groundwater remediation activities, as prescribed. The act requires the board of the authority to be composed of seven members.

This bill would require the appointment of two additional producer members, as defined, and their alternates, pursuant to specified procedures and would prescribe their terms of office.

~~(2) The act authorizes the authority to impose an annual pumping right assessment, not to exceed \$20 per acre-foot, to pay for the costs of facility construction, property acquisition, operation and maintenance of projects constructed by and for the authority, and specified indebtedness. The act authorizes the authority to impose an annual pumping right assessment that may not exceed \$5 per acre-foot to pay for administrative costs.~~

~~This bill, instead, would authorize the authority, upon the approval of five board members, as specified, to impose an annual pumping right assessment, not to exceed \$13 per acre-foot, to pay for specified construction property and acquisition costs, operation and maintenance costs of projects constructed by and for the authority, and administrative costs.~~

~~(3) The act authorizes the authority to issue bonds, warrants, promissory notes, and bond anticipation notes.~~

~~This bill would delete that authority.~~

~~(4) The act authorizes the authority to undertake projects that relate to efforts to correct specified water quality problems.~~

~~This bill, instead, would authorize the authority, at the request of a producer or other entity, to enter into agreements and undertake projects relating to those efforts.~~

~~(5) The act requires the authority to adopt a basinwide groundwater quality management and remediation plan that includes a characterization of basin contamination.~~

~~This bill would delete that characterization component from the plan.~~

~~(6) The act authorizes the authority to pursue specified legal action against entities that are responsible for the contamination of the basin.~~

~~This bill would require the approval of 5 board members of the authority for the purposes of undertaking that legal action, as specified.~~

~~(7) The act, with a certain exception, provides for the act to become inoperative if certain requirements are met.~~



~~This bill would repeal those provisions.~~

~~(8)~~

(2) The act provides for the authority to assume a limited status function under certain circumstances and, except for provisions relating to the disposition of the property and assets of the authority, repeals the act on July 1, 2002.

~~This bill, instead, would require the authority to assume a limited function status commencing on July 1, 2004, as prescribed, would extend the repeal date to July 1, 2006, and would revise provisions relating to the disposition of the property and assets of the authority 2004.~~

~~(9)~~

(3) *Existing law requires the Los Angeles Regional Water Quality Control Board to report to the Legislature on or before January 1, 1997, on the progress of the authority with regard to prescribed actions of the authority.*

This bill would, instead, require the board to report to the Legislature on or before January 1, 2002, and would require the report to contain recommendations for improving the progress of the authority.

(4) By imposing requirements on the authority, the bill would impose a state-mandated local program.

~~(10)~~

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 304 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 304. “Board member” or “member” means a member of the board.

(a) “Alternate member” or “alternate” means the nominee receiving the second highest number of votes in an election of a city member or the person appointed by a water district to act in the place of a member if that member is absent or the member has vacated the office.

(b) “City member” means a member elected by the cities with pumping rights or the cities without pumping rights.

(c) “Water district member” means a member appointed by one of the water districts.

(d) “Producer member” means a member who, pursuant to the judgment, is a designee of a producer, other than a water district described in Section 503 or a city described in Section 504, that is a holder of not less than 5 percent of the prescriptive pumping rights in the basin.

SEC. 2. Section 313 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 313. “Public water system” means any entity that operates a public water system, as defined in Section 116275 of the Health and Safety Code.

SEC. 3. Section 314.5 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

314.5. “Water association” means the San Gabriel Valley Water Association.

~~SEC. 4. Section 401 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:~~

~~Sec. 401. The authority may do any of the following:~~

1 ~~(a) Coordinate groundwater remediation planning~~
2 ~~and implementation activities among the water districts,~~
3 ~~the producers, and the authority.~~

4 ~~(b) Control and remove hazardous substances from~~
5 ~~the basin.~~

6 ~~(c) Construct, operate, and maintain water treatment~~
7 ~~facilities which benefit the basin.~~

8 ~~(d) Receive and expend funds obtained from all of the~~
9 ~~following sources:~~

10 ~~(1) Federal, state, or local governments.~~

11 ~~(2) Nongovernmental entities.~~

12 ~~(3) The proceeds from the issuance of notes or other~~
13 ~~indebtedness to finance treatment projects which benefit~~
14 ~~the basin.~~

15 ~~(4) Pumping right assessments.~~

16 ~~SEC. 5. Section 402 of the San Gabriel Basin Water~~
17 ~~Quality Authority Act (Chapter 776 of the Statutes of~~
18 ~~1992) is amended to read:~~

19 ~~Sec. 402. The authority may, at the request of a~~
20 ~~producer or other entity, enter into agreements and~~
21 ~~undertake projects which relate to, but are not limited to,~~
22 ~~efforts to correct water quality problems due to volatile~~
23 ~~organic compounds, nitrates, and mineral salts. Except~~
24 ~~for projects initiated or implemented prior to the~~
25 ~~enactment of the amendment of this section during the~~
26 ~~2000 portion of the 1999-2000 Regular Session, the~~
27 ~~authority may not undertake a project on its own~~
28 ~~initiative. These projects shall be undertaken pursuant to,~~
29 ~~and shall be consistent with, the basinwide plan adopted~~
30 ~~under Section 406.~~

31 ~~SEC. 6. Section 403 of the San Gabriel Basin Water~~
32 ~~Quality Authority Act (Chapter 776 of the Statutes of~~
33 ~~1992) is amended to read:~~

34 ~~Sec. 403. The authority may do any of the following:~~

35 ~~(a) Employ agents and employees.~~

36 ~~(b) Make and enter into contracts.~~

37 ~~(c) Sue and be sued in its own name and, to the extent~~
38 ~~authorized by Section 407, bring suits to recover, from~~
39 ~~responsible parties, the removal and remedial action costs~~
40 ~~incurred by the authority.~~

- 1 ~~(d) Adopt a seal and alter it at pleasure.~~
2 ~~(e) Acquire, — construct, — manage, — maintain, — and~~
3 ~~operate any buildings, works, or improvements, both~~
4 ~~inside and outside the boundaries of the authority.~~
5 ~~(f) Acquire, own, hold, or dispose of property both~~
6 ~~inside and outside the boundaries of the authority.~~
7 ~~(g) Incur debts, liabilities, and obligations.~~
8 ~~(h) Issue notes or other evidence of indebtedness and~~
9 ~~enter into leases, installment sales contracts, and other~~
10 ~~agreements to finance costs and expenses incidental to~~
11 ~~the projects of the authority.~~
12 ~~(i) Enter into agreements with the water master and~~
13 ~~other appropriate entities to do any of the following:~~
14 ~~(1) Store water in the basin.~~
15 ~~(2) Purchase and import water for the benefit of the~~
16 ~~authority.~~
17 ~~(3) Exchange water.~~
18 ~~(4) Distribute water to producers in exchange for~~
19 ~~ceasing or reducing groundwater extraction.~~
20 ~~(5) Regulate pumping in accordance with the~~
21 ~~judgment.~~
22 ~~(j) Own and operate facilities to extract, purify, and~~
23 ~~treat water for the beneficial use of persons or property~~
24 ~~within the authority.~~
25 ~~(k) Acquire, within or outside the authority and within~~
26 ~~the state, by purchase, condemnation, or other legal~~
27 ~~means, all property, or rights in property, that the~~
28 ~~authority determines to be necessary or proper for the~~
29 ~~purposes of the authority, except that the authority shall~~
30 ~~not exercise the power of eminent domain as to water,~~
31 ~~water rights, reservoirs, pipelines, water distribution~~
32 ~~systems, waterworks, or powerplants that are devoted to~~
33 ~~beneficial or public use. Eminent domain proceedings~~
34 ~~may be brought by the authority for these purposes~~
35 ~~pursuant to Title 7 (commencing with Section 1230.010)~~
36 ~~of Part 3 of the Code of Civil Procedure.~~
37 ~~(l) Act jointly or cooperate, within or outside the~~
38 ~~boundaries of the authority, with the United States, the~~
39 ~~state, a county, city, or district, the watermaster, or any~~
40 ~~corporation, or person to carry out this act.~~

1 ~~(m) Carry on technical and other investigations of all~~
2 ~~kinds necessary to carry out the purposes of this act.~~

3 ~~(n) Levy pumping right assessments and impose~~
4 ~~charges for the sale of groundwater extracted and treated~~
5 ~~by the authority to pay for the administrative costs of the~~
6 ~~authority, to pay for the operation and maintenance costs~~
7 ~~of facilities including reasonable reserves for operation~~
8 ~~and maintenance costs, to repay notes or other evidence~~
9 ~~of indebtedness, to make payments pursuant to leases or~~
10 ~~installment sale agreements in connection with~~
11 ~~certificates of participation, and to make payments~~
12 ~~pursuant to any other financial obligations. Pumping~~
13 ~~right assessments may be levied on, and are payable by,~~
14 ~~public agency holders of prescriptive rights under the~~
15 ~~judgment.~~

16 ~~SEC. 7. Section 406 of the San Gabriel Basin Water~~
17 ~~Quality Authority Act (Chapter 776 of the Statutes of~~
18 ~~1992) is amended to read:~~

19 ~~Sec. 406. (a) The authority shall develop and adopt a~~
20 ~~basinwide groundwater quality management and~~
21 ~~remediation plan. The authority shall cooperate with all~~
22 ~~appropriate entities for that purpose. The plan shall~~
23 ~~include, but not be limited to, all of the following~~
24 ~~components:~~

25 ~~(1) Development and implementation of a~~
26 ~~comprehensive basin cleanup plan.~~

27 ~~(2) A plan for financing the design, construction,~~
28 ~~operation, and maintenance of groundwater cleanup~~
29 ~~facilities.~~

30 ~~(3) Provision for a public information and~~
31 ~~participation program.~~

32 ~~(4) Coordination with federal, state, and local entities.~~

33 ~~(b) The basinwide plan shall be consistent with the~~
34 ~~National Contingency Plan and with any applicable~~
35 ~~records of decision issued by the United States~~
36 ~~Environmental Protection Agency, all requirements of~~
37 ~~the Los Angeles Regional Water Quality Control Board,~~
38 ~~including that board's Basin Plan, and all applicable~~
39 ~~agreements between federal, state, and local agencies~~
40 ~~engaged in cleanup activities. The basinwide plan shall~~

1 consider the benefits to be achieved by the plan or any
2 proposed project in relation to its economic impact on
3 persons or entities within the boundaries of the authority.

4 SEC. 8. Section 407 of the San Gabriel Basin Water
5 Quality Authority Act (Chapter 776 of the Statutes of
6 1992) is amended to read:

7 Sec. 407. (a) The authority may cooperate with the
8 Los Angeles Regional Water Quality Control Board and
9 the United States Environmental Protection Agency in
10 their investigation and identification of persons or
11 entities that are responsible for the contamination of the
12 basin.

13 (b) Persons or entities responsible for the
14 contamination of the basin shall cooperate with the
15 authority in developing and implementing plans for the
16 cleanup of the contamination.

17 (c) To the extent authorized under Section 107 of the
18 Comprehensive Environmental Response,
19 Compensation, and Liability Act of 1980, as amended (42
20 U.S.C. Sec. 9607), or Chapter 6.8 (commencing with
21 Section 25300) of Division 20 of the Health and Safety
22 Code, the authority may, upon the approval of five of the
23 members of the board, including the two producer
24 members, pursue legal action against persons or entities
25 that are responsible for the contamination of the basin to
26 recover removal or remedial action costs incurred by the
27 authority for the cleanup of the contamination
28 attributable to that person or entity, including the costs
29 of enforcement and litigation.

30 SEC. 9.—

31 SEC. 4. Section 502 of the San Gabriel Basin Water
32 Quality Authority Act (Chapter 776 of the Statutes of
33 1992) is amended to read:

34 Sec. 502. (a) The board shall be composed of seven
35 members, three of whom are appointed by the water
36 districts, two of whom are elected by the cities, and two
37 of whom are producer members appointed pursuant to
38 Section 503.1.

39 (b) No person, other than a producer member, who,
40 directly or indirectly, at the time of election or

1 appointment, receives, or during the two-year period
2 immediately preceding election or appointment
3 received, 10 percent or more of his or her income from
4 any person or public entity subject to regulation by, or
5 that receives grants from or contracts for work with, the
6 authority may serve as a member of the authority.

7 ~~SEC. 10.—~~

8 *SEC. 5.* Section 503.1 is added to the San Gabriel Basin
9 Water Quality Authority Act (Chapter 776 of the Statutes
10 of 1992), to read:

11 503.1. Two producer members and two alternates
12 shall be appointed by the board of directors of the Water
13 Association.

14 ~~SEC. 11.—~~

15 *SEC. 6.* Section 506 of the San Gabriel Basin Water
16 Quality Authority Act (Chapter 776 of the Statutes of
17 1992) is amended to read:

18 Sec. 506. An alternate member shall act in the place,
19 and perform all of the duties, of the city member,
20 producer member, or water district member selected by
21 the same cities or water district if that city member,
22 producer member, or water district member is absent
23 from a meeting of the authority or has vacated his or her
24 office until the vacancy is filled pursuant to this act.

25 ~~SEC. 12.—~~

26 *SEC. 7.* Section 507 of the San Gabriel Basin Water
27 Quality Authority Act (Chapter 776 of the Statutes of
28 1992) is amended to read:

29 Sec. 507. (a) Except as provided in subdivisions (b)
30 and (c), the terms of the members shall commence on the
31 first Monday in January and each member shall hold
32 office for a term of four years and until the successor takes
33 office.

34 (b) With respect to the initial board members, the
35 terms of the member appointed by the Three Valleys
36 Municipal Water District and the member elected by the
37 cities without pumping rights shall expire on January 1,
38 1995, and the terms of the remaining members shall
39 expire on January 1, 1997.

(c) The terms of the initial producer members and alternates shall commence on the first business day after the appointment of the producer members and alternates. The terms of the initial producer members and alternates shall expire on the fourth January 1 following commencement of their term.

~~SEC. 13.—~~

SEC. 8. Section 508 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 508. Any vacancy in the office of a member shall be filled as follows:

(a) A vacancy in the office of a member or alternate who was appointed by a water district shall be filled by the appointing water district by a resolution adopted by a majority vote of the district governing board. The person appointed to fill the vacancy shall meet the qualifications applicable to the vacant office and shall serve for the remaining term of the vacant office.

(b) A vacancy in the office of a member or alternate who was elected by cities shall be filled by a special election called by the authority. Only those cities which elected the member or alternate to the office in which the vacancy has occurred are eligible to vote. Nominations and balloting shall be conducted in the same manner as a regular election, except that the date of the election and time periods shall be as prescribed by the authority. The member or alternate elected to fill a vacancy shall meet the qualifications applicable to the vacant office and shall serve for the remaining term of the vacant office.

(c) A vacancy in the office of a producer member or alternate who was appointed by the board of directors of the Water Association shall be filled pursuant to Section 503.1.

~~SEC. 14.— Section 602 of the San Gabriel Basin Water~~

SEC. 9. Section 705 of the San Gabriel Water Basin Quality Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 705. On or before January 1, ~~1997~~ 2002, the Los Angeles Regional Water Quality Control Board shall

1 report to the Legislature on the progress of the authority
2 with regard to actions undertaken pursuant to Article 4
3 (commencing with Section 401), and any
4 recommendations regarding actions for improving the
5 progress of the authority.

6 SEC. 10. Section 706 of the San Gabriel Basin Water
7 Quality Authority Act (Chapter 776 of the Statutes of
8 1992) is amended to read:

9 Sec. 706. (a) Except as provided in this section, this
10 act shall remain in effect only until July 1, ~~2002~~ 2004, and
11 as of that date is repealed, unless a later enacted statute,
12 which is enacted before July 1, ~~—2002~~ 2004, deletes or
13 extends that date.

14 (b) Upon the repeal of this act, the assets and debts of
15 the authority shall be administered as follows:

16 (1) The Los Angeles Regional Water Quality Control
17 Board shall dispose of the property and assets as
18 appropriate. The Los Angeles Regional Water Quality
19 Control Board shall receive reimbursement for actual
20 costs incurred related to the disposition of the property
21 and assets. The cost recovery shall be from the proceeds
22 of the disposition pursuant to this section. The proceeds,
23 if any, of the disposition shall be transferred to the
24 Treasurer to be applied to pay the debts of the authority
25 and, if any proceeds remain, shall be transferred to the
26 Treasurer for deposit in the Hazardous Substance
27 Cleanup Fund for use in financing groundwater
28 contamination investigation and remediation in the
29 basin. Preference shall be given in the disposition of assets
30 of the authority to transfers to producers who may be able
31 to use the assets for the benefit of water distribution
32 systems and to provide for continued operation and
33 maintenance of the assets in order to further the purposes
34 of this act.

35 (2) The Treasurer shall administer the payment of
36 debts of the authority. The Treasurer shall apply the
37 proceeds from the disposition of assets to the payment of
38 the debts. If debts remain after application of the
39 proceeds from disposition of assets, the Treasurer may
40 continue to collect, in lieu of the authority, the pumping

1 right assessments authorized under either (A) Section
2 602 if the debt relates to administrative costs or (B)
3 Section 605 if the debt is to repay warrants, notes, bonds,
4 and other evidences of indebtedness, or both, to make
5 payments pursuant to leases or installment sale
6 agreements in connection with certificates of
7 participation, to pay for operation and maintenance costs
8 of facilities, and to make payments pursuant to any other
9 financial obligations. All provisions set forth in Article 6
10 (commencing with Section 601) relating to the levy and
11 collection of the pumping right assessments are not
12 repealed and shall continue in effect until the debts of the
13 authority are paid, as determined by the Treasurer, who
14 shall notify the Secretary of State. Upon receipt by the
15 Secretary of State of the Treasurer's notice, Article 6
16 (commencing with Section 601) is repealed. The
17 Treasurer's authority to levy and collect assessments
18 under this act is limited according to the provisions of this
19 act and shall cease when all debts of the authority have
20 been paid.

21 *SEC. 11. Notwithstanding Section 17610 of the*
22 *Government Code, if the Commission on State Mandates*
23 *determines that this act contains costs mandated by the*
24 *state, reimbursement to local agencies and school*
25 *districts for those costs shall be made pursuant to Part 7*
26 *(commencing with Section 17500) of Division 4 of Title*
27 *2 of the Government Code. If the statewide cost of the*
28 *claim for reimbursement does not exceed one million*
29 *dollars (\$1,000,000), reimbursement shall be made from*
30 *the State Mandates Claims Fund.*

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**All matter omitted in this version of the
bill appears in the bill as amended in the
Senate August 7, 2000 (JR 11)**